Government had constituted a committee under the Chairmanship of the Cabinet Secretary comprising of Finance Secretary; Secretary, Ministry of Civil Aviation; Secretary, Department of Revenue; Secretary, Ministry of Petroleum and Natural Gas; Secretary, Planning Commission; Dr. Deepak Parekh, Chairman, HDFC; Dr. Raghuram, Professor, IIM, Ahmedabad to examine various issues relating to the current financial crisis being faced by domestic airlines.

Two meetings of the committee have been held on 14.08.2008 and 18.11.2008.

(b) The Ministry had *Inter alia* proposed rationalization of Sales Tax on Aviation Turbine Fuel (ATF), removal of custom duty on ATF, Allowing Private Domestic Airlines to operate on international routes, Foreign Direct Investment in Air Transport Sector.

(c) The main ground was the steep rise in the prices of ATF, which accounted for 45-50% of the operating cost of the Indian carriers as compared to global average operating cost of 25-30%. The Airlines had started incurring heavy losses due to very high ATF prices.

(d) The Government has taken various steps to help the domestic aviation industry which *Inter-alia* are as under:

(1) Custom duty on import of ATF has been abolished.

(2) The Oil Companies have staggered the dues of Airline Companies over six months. Oil Companies have also extended the credit period.

(3) With the fall in global crude prices, the Oil Companies have been reducing ATF prices since September, 2008. They have also started announcing the ATF prices on a fortnightly basis rather than monthly basis which is helping the Airlines when the crude prices are going down.

**Dues of airport developers**

2339. DR. M.A.M. RAMASWAMY: Will the Minister of CIVIL AVIATION be pleased to state:

(a) whether it is a fact that airport developers both in public and private sectors are not getting their dues from the airlines;

(b) if so the details thereof, airline-wise;

(c) whether Government has assessed the impact of the default on payment of dues on airport development;

(d) whether it is also a fact that due to reduction in number of flights and passenger flow, the Airports Authority of India (AAI) and other private airport developers are losing a substantial amount;

(e) if so, the details thereof; and

(f) the manner in which Government proposes to mop up required money for future development of civil aviation infrastructure in the country?

THE MINISTER OF STATE OF THE MINISTRY OF CIVIL AVIATION (SHRI PRAFUL PATEL): (a) and (b) Yes, Sir. Some of the airlines have not been settling their dues in time. In respect of

Airports Authority of India's (AAI),. the defaulting airlines are (Rs. in crores) NACIL-Air India - 739.50; Air Deccan - Kingfisher - 286.62; Jet airways/Jetlite - 32.78; Spicejet-15.76; Paramount Airways - 12.50; Interglobe Aviation - 6.00; Go Air - 8.81. Mumbai International Airport's dues are as follows: NACIL-52.90; Kingfisher Airlines - 9.05; Jet Airways - 6.80; Kingfisher/Air Deccan - 5.06; Go Airlines - 2.29; Air Indian Charters Ltd. - 0.80; Lufthansa Airlines - 0.80; JetLite (India) Pvt. Ltd. - 0.71; Malaysia Airlines - 0.63; Emirates - 0.61; Indigo Airlines- 0.57 Spice Jet Ltd. - 0.55; Singapore Airlines - 0.42; British Airways - 0.30; Kuwait Airways - 0.27; Dutch Airlines - 0.26; Airlines Allied Services - 0.25; Kenya Airways - 0.25; Elal Israel Airlines Ltd. - 0.23; Qatar Airways - 0.21; Saudi Arabian Airlines - 0.20; Ethiopian Airlines - 0.20; Other airlines - 3.18. Airlines owe Hyderabad International Airport Limited (HIAL) 48.75 crores as on date. The total dues of airlines as on 15.12.2008 on Delhi International Airport Limited (DIAL) is Rs.84.50 crores. Bangalore International Airport Limited (BIAL) has an outstanding dues of Rs.41 crore from the airlines. Cochin International Airport Limited (CIAL) have also informed that there are some dues from National Carriers as well as from the private airlines and they are constantly following up with these airlines for early settlement of the same.

(c) Government has given instructions to AAI to take all possible steps including legal action, if warranted against the deafaulting airlines.

(d) and (e) Due to reduction in flights and passenger flow, there is reduction in the revenue on account of airport charges for AAI and other private airport operators. AAI has a decrease in revenue to the tune of Rs.228 crores during April to September 2008 as compared to the corresponding period in 2007. MIAL's aeronautical revenue has been on a lower side, for the period April, 2008 to November, 2008 by about Rs.79.83 crores. HIAL has seen a total revenue decline by 15%. DIAL has indicated reduction in revenue of Rs.50 crore (Approx.) for the year 2008-09. BIAL has also an impact to a certain extent. However, there is no major impact on CIAL due to the reduction in number of flights and passengers.

(f) The present declining trend is expected to be of a transitory nature. With the measures being taken by the Government to give fillip to the economy in general and various initiatives taken on civil aviation side, it is expected that the declining trend would reverse and the airport developers would generate sufficient internal resources to undertake infrastructure development projects. The Government will continue to support the projects in North Eastern Region and Other Crucial Areas, through budgetary support/grant.

**Effect of high price of aviation fuel**

2340. SHRI S. ANBALAGAN: Will the Minister of CIVIL AVIATION be pleased to state: